

Aerospace technology used in COMPAQ notebook



The COMPAQ LTE 386s/20 – desktop functions in a tiny package.

See related story, page 2

The worlds of advanced aeronautics and personal computers merged as Compaq squeezed advanced desktop functions into a notebook computer to produce the COMPAQ LTE 386s/20.

“Regal Flex” technology (rigid epoxy glass acrylic laminate) made it possible. This process was developed by Teledyne Industries for advanced defense industry applications such as cruise missile guidance systems and Stealth fighter instrument panels. The new technology is referred to as Rigid Flex circuit board design in the aerospace and defense industries.

The powerful COMPAQ LTE 386s/20 features not only the first use of Regal Flex technology in a PC, but a 60-megabyte 2 1/2-inch fixed disk drive, credit card size memory cards and a miniature power supply in a 8 1/2 by 11 by 2 1/2 inch (21.6 by 27.9 by 5.6 cm) size and 7 1/2 pound (3.4 kg) package (with battery).

With patented Regal Flex technology, a single, central circuit board starts as

continued on page 3

Another outstanding performance Compaq earnings soar past industry average

While the North American PC market's unit growth during the third quarter of 1990 was practically stagnant at 5 percent, Compaq unit shipments increased 20 percent. This increase, along with other factors, sent Compaq earnings soaring 42 percent with sales up 26 percent over third quarter 1989.

“Excellent sales growth during this quarter can be attributed to continued European strength and increased momentum in the North American market.”

Sales for the quarter ended Sept. 30, 1990 rose to \$863 million as opposed to sales of \$683 for the third quarter of 1989. Net income for the third quarter was \$124 million, representing a 42 percent increase over net income of \$87 million in third quarter 1989. Earnings per share rose to \$1.38 from \$1.01 in

the corresponding period a year ago (adjusted for a two-for-one stock split effective June 29, 1990).

Net income for the first nine months of 1990 was \$320 million, or \$3.62 per share, compared with \$254 million, or \$2.96 per share on a fully diluted basis, in the first nine months of 1989.

Sales for the nine-month period were \$2.6 billion, compared with \$2.1 billion during the corresponding period last year.

Net income for the quarter includes a non-recurring, pretax gain of \$27.1 million resulting from an increase in the value of the company's investment in Conner Peripherals, Inc. Net income for the third quarter 1989 included a similar gain of \$13.7 million. In each instance, the gains resulted from Conner's issuance of additional common stock at prices higher than the carrying value of the common stock owned by Compaq. These gains, after giving effect to income taxes, increased earnings per share in the

continued on page 2

WE'RE #1!



The Compaq Corporate Games team took first place in the recent Houston competition. Pictured here, Stuart Erickson and Mark Bolam celebrate after winning the tug-of-war competition. See story, page 8.

COMPAQ PCs available in Hungarian market

Compaq has made further inroads into the Eastern European market by authorizing four Dealers — Microsystem, Montana, Ring and Swisscad — to sell the complete line of COMPAQ personal computers in Hungary.

"Our entry into the Hungarian market is a response to the growing demand for our product line in that country," said Zelimir Ilic, Managing Director, Eastern Europe Group. "These newly authorized COMPAQ computer dealers offer in-depth knowledge in the areas of connectivity, CAD/CAE, and in a variety of business solutions, assuring

high-quality support of the Hungarian customer base," he added.

The Authorized COMPAQ Computer Dealers in Hungary will be supported from Compaq Computer GmbH international headquarters in Munich, West Germany.

The presence of Compaq in Hungary is part of the company's ongoing international expansion program. During 1990, Compaq opened wholly owned subsidiaries in New Zealand, Austria, Finland and Hong Kong. The company also entered the Eastern European market in 1990 by authorizing dealers in Yugoslavia.

Third quarter earnings soar

continued from page 1
respective period by \$.20 in 1990 and \$.10 in 1989.

In the third quarter of 1989, the company also made \$7.6 million, having an after-tax effect of \$.06 per share, through the sale of one million Conner shares.

"Excellent sales growth during this quarter can be attributed to continued European strength and increased momentum in the North American market," said Rod Canion, CEO. "These results also demonstrate that Compaq offers the products users want in key, high-growth markets, at prices competitive with other leading vendors. We achieved good revenue growth despite several price reductions during the quarter and normal summer seasonality."

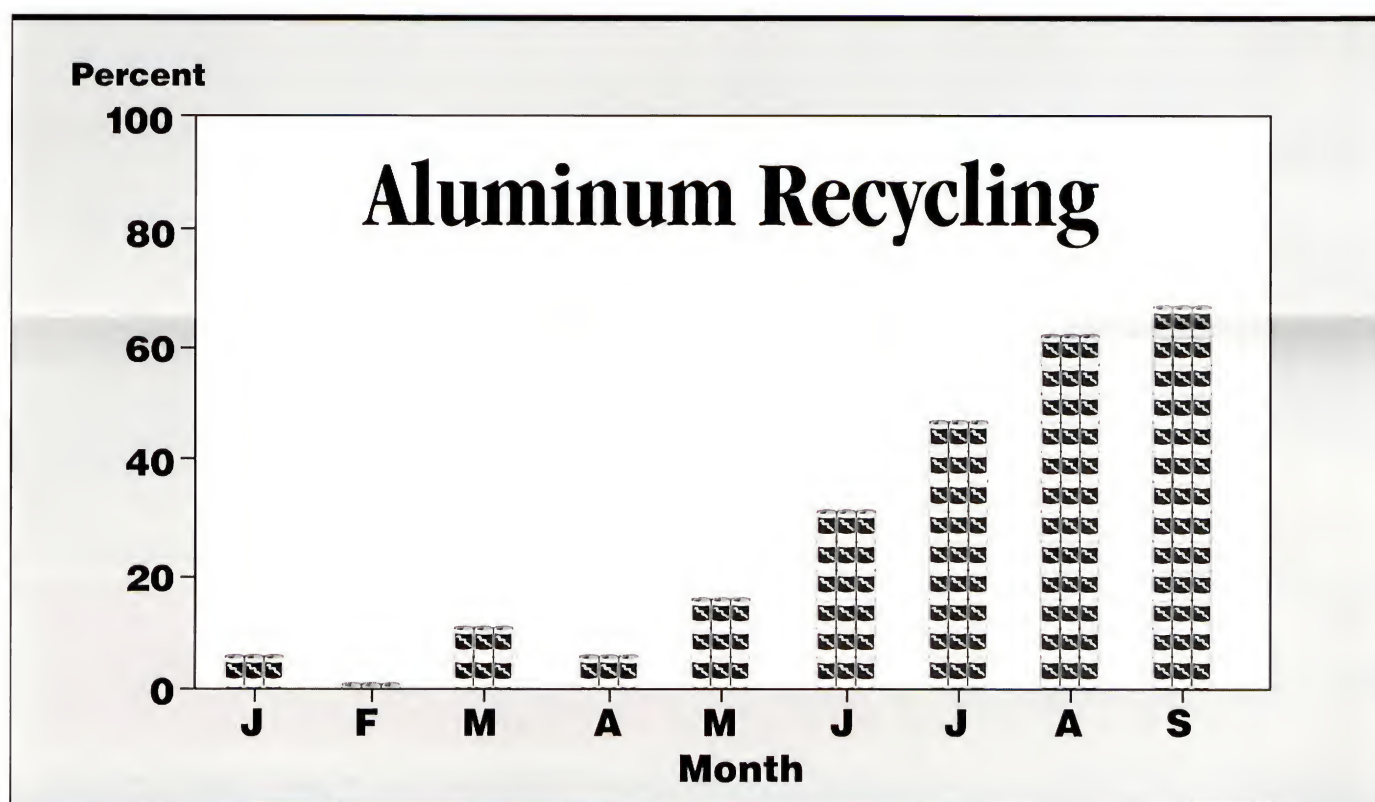
Canion mentioned that the eight

new desktop and laptop computers introduced during the first nine months of the year have all been well-received by users.

"We had a higher than normal gross margin of 43.6 percent this quarter due to lower material costs, further factory efficiencies and the effect of favorable currency exchange rates," he added.

European and international sales comprised 53 percent of Compaq revenue during the past quarter and grew by 54 percent compared with the same period last year.

The company's European and international sales contributed 53 percent of revenue in the second quarter 1990, 56 percent in the first quarter 1990 and 46 percent of 1989 revenue. Compaq holds the number two market share position in the European business PC market.



Since the first quarter of the year, recycling of aluminum cans on the Compaq campus has increased substantially — from less than 10 percent in February to about 64 percent in September. According to Alcoa Aluminum, Compaq is the city's largest generator of recyclable aluminum cans. Proceeds from can recycling and other expanded recycling programs will go to charities in the Houston area.

Notebook PC packed with features

The COMPAQ LTE 386s/20, introduced in October, extends the power of notebook-sized personal computers far into the range of many desktop computers.

Advanced features never before found together in a notebook PC include Intel's 20-MHz 386SX microprocessor, cache memory, VGA graphics, high capacity, high performance fixed disk and diskette drives and 2 MB memory expandable to 10 MB.

With its more than three-hour battery life, the new notebook can be used anywhere or it can be slipped into the new Desktop Expansion Base for full-function 386SX desktop capabilities. The expansion base includes the ability to install two mass storage devices and two ISA expansion cards, and allows for easy connection to an external

monitor and keyboard while leaving the computer free to travel at a second's notice.

The COMPAQ LTE 386s/20 offers business professionals the same power-

The COMPAQ LTE 386s/20 offers business professionals the same powerful computing capabilities on the road as they have at the office.

ful computing capabilities on the road as they have at the office.

Optimal system performance is achieved by matching the 20-MHz 386SX microprocessor with a host of integrated

features. This processes information 50 percent faster than 16-MHz 386SX-based systems.

Standard features

- Integrated cache memory controller with a 4 kilobyte (Kbyte) four-way set associative cache memory (provides zero wait state operation 93 percent of the time).
- Full-size, 9-inch (22.9 cm) diagonal VGA edgelit display with 16 gray shades (1:1 aspect ratio).
- Two megabytes of 80-nanosecond (ns) enhanced page memory, expandable to 10 megabytes.
- A 60- or 30-megabyte, 2 1/2 inch fixed disk drive (less than 19 millisecond access time).
- 3 1/2-inch, 1.44-megabyte diskette drive.

- 101/102-key compatible keyboard with standard spacing.
 - Parallel, serial and pointing device (mouse) interfaces; interfaces for external options, external VGA monitor and external numeric keypad.
 - Enhanced NiCad Battery Pack with more than three hours of battery life.
 - AC adaptor provides internal fast charge capability to recharge the battery in 1 1/2 to 3 hours while in the unit.
 - Disk CACHE, ADAPT and PWRCON utilities.
- The COMPAQ LTE 386s/20 comes with a one-year limited worldwide warranty, which allows the owner to have the unit serviced by any Authorized Dealer in the world.

COMPAQ notebook uses aerospace technology

continued from page 1

an 8 1/2 by 11 inch sheet, then is bent at key points and folded into a compact, multi-planed part that fits into a 4 3/4 by 6 by 11/2 inch (12.2 by 15.4 by 3.8 cm) space.

The COMPAQ LTE 386s/20 system board is folded into several connected planes, eventually forming a tight, multi-layered configuration. Folding the board produces a very powerful, yet highly compact central nervous system for the full-function computer.

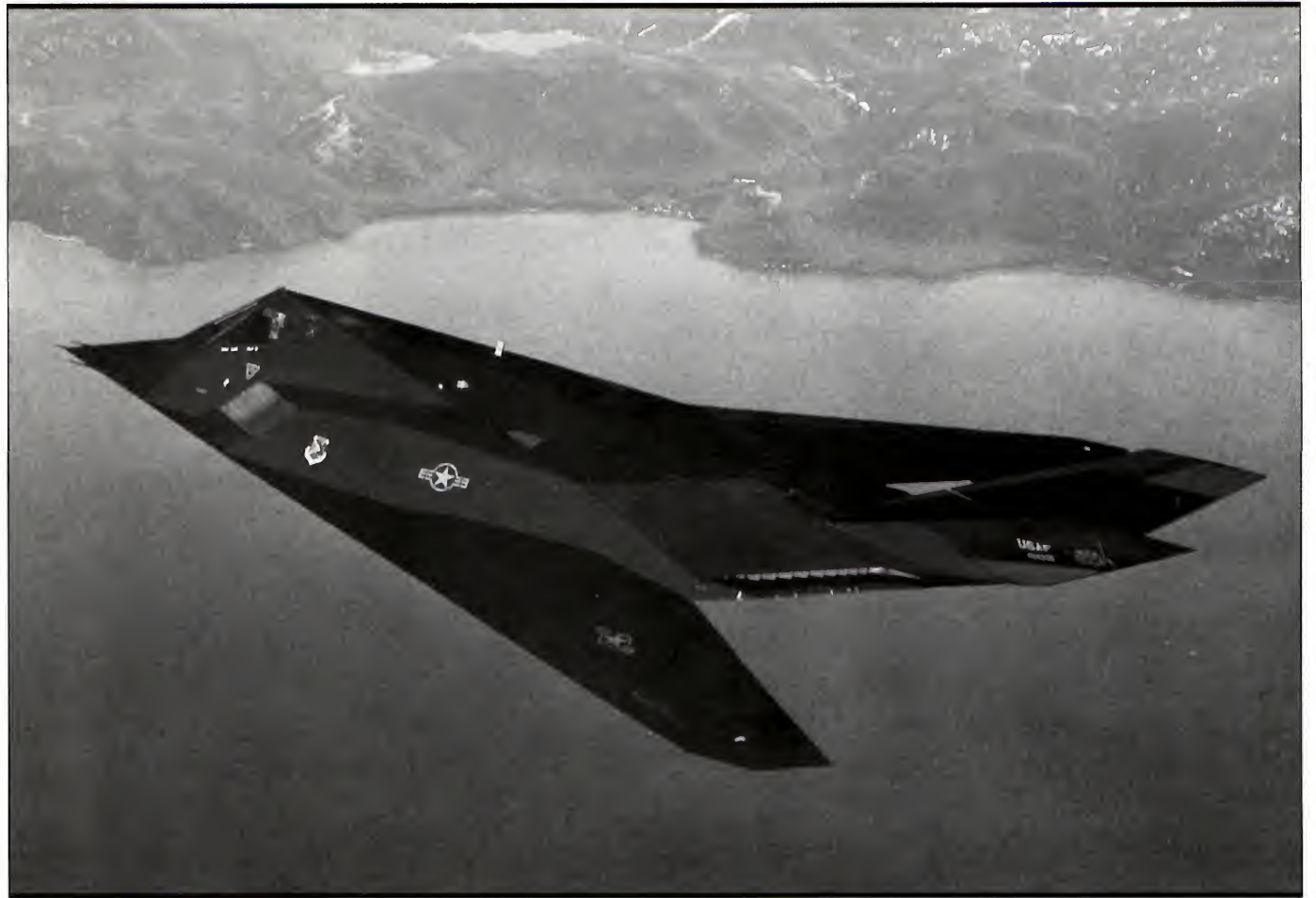
The design permits elimination of all standard board connectors except for one diskette drive cable connector. The flexible sections of the board replace bulky cables and connectors.

Optional memory cards that expand the COMPAQ LTE 386s/20 beyond its standard 2 megabytes of memory are only the size of a credit card.

Other new technology

Compaq made use of its expertise in surface mount technology (SMT), the manufacturing process that makes possible the application of components on both sides of circuit boards. The company also used its expertise in ASICs for design of "gate arrays. This process integrates tens of thousands of circuits to provide on one chip those functions previously requiring dozens, even hundreds, of chips.

The 3/4-inch (1.9 cm) high, 2 1/2-inch fixed disk drive in the COMPAQ LTE 386s/20 is about the size of a deck of cards. It is the first drive of its size with a 60-megabyte capacity (able to hold 30,000 typewritten pages). Despite its small size, the new disk drive's 19 millisecond access time matches the



The new COMPAQ PC incorporates technology used in the Lockheed Stealth F117 fighter plane.

performance of drives available in desktop PCs. The drive from Conner Peripherals is another space saver. A controller is integrated onto the drive itself.

COMPAQ credit card memory

Optional memory cards that expand the COMPAQ LTE 386s/20 beyond its standard 2 megabytes of memory are only the size of a credit card. RAM chips are fully enclosed in plastic, making these options rugged and durable. The memory cards are available in 1- and 4-megabyte options to expand memory

up to 10 megabytes. Up to two memory cards can be easily snapped into place via a compartment on the side of the unit.

Superior power, battery life

The power supply in the COMPAQ LTE 386s/20 is about the size of a large pack of chewing gum – 2 3/4 by 7/8 by 7/8 inches (7 by 2.3 by 2.3 cm) – yet is 90 percent efficient with only 10 percent of its energy dissipated as heat. This internal power supply accepts either AC or battery power.

The COMPAQ LTE 386s/20 also demonstrates dramatic advances in PC power supplies. The original AC-powered COMPAQ Portable, introduced in 1983, for example, had a power supply the size of a thick, paperback book, 5 1/4 by 7 1/4 by 2 1/2 inches (13.5 by 18.6 by 6.4 cm), and was only 65 percent efficient. Surface mount and ASIC technologies were used to create the smallest power supply available in a PC.

The power supply in the COMPAQ LTE 386s/20 is about the size of a large pack of chewing gum.

Desktop expansion

Using the desktop expansion base to extend the capabilities of the COMPAQ LTE 386s/20, the user can snap the computer into place and take advantage of two industry-standard expansion slots, a variety of mass storage devices, a 14-inch COMPAQ VGA color monitor, a full-sized enhanced keyboard and a full range of peripherals. A separate power supply is included to provide AC power to the system and simultaneously recharge the battery.

Standard interfaces are provided to

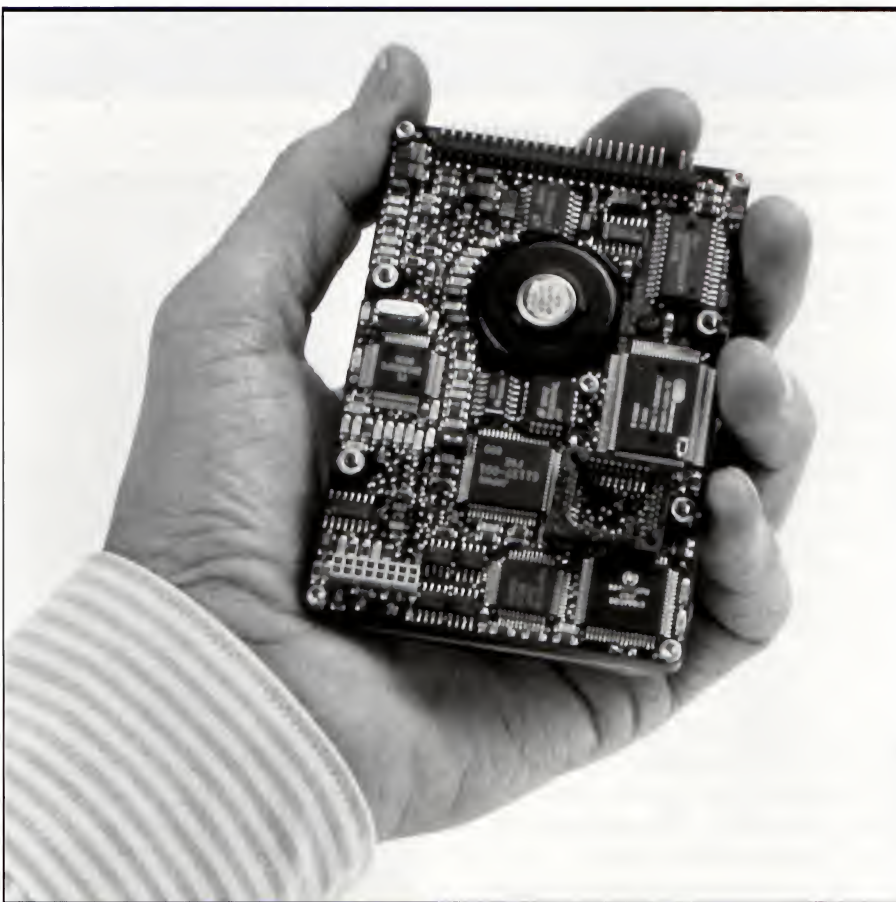
allow easy transition from office to travel. All peripherals can be left connected and in place on the expansion base while taking the unit on the road.

The most innovative and advanced technology available – Regal Flex, surface mount, ASIC and others – in the COMPAQ LTE 386s/20 opens new dimensions in notebook PC computing.

System board loaded with features

The remarkable COMPAQ LTE 386s/20 system board incorporates the following features:

- Twenty integrated circuits and 10 application specific integrated circuits (ASICs).
- Intel's 20-MHz 386SX microprocessor.
- A memory cache chip that provides zero wait state performance 93 percent of the time.
- Two megabytes of random access memory (RAM).
- An ASIC for Video Graphics Array (VGA) support and 16 shades of gray.
- A socket for Intel's 20 MHz 387SX coprocessor.
- Parallel, serial and pointing device interfaces.
- Ports for an external VGA monitor, mouse, a numeric keypad, parallel, serial and external options.



The COMPAQ LTE 386s/20 fixed disk drive is about the size of a deck of cards.

PIK: A TQC tool takes off

Earlier this year, a Houston manufacturing team came to a decision at one of its regular TQC team meetings. The team members felt they needed additional tools to help them thoroughly analyze the effectiveness of their processes and correctly identify the causes of problems they discovered.

According to Teresa Ratliff, Corporate Quality process consultant, who worked with manufacturing and quality managers from each Houston manufacturing site on the project, "As Compaq people have grown more

teams in the PIK program are communication techniques such as brainstorming and special voting methods that assist teams in reaching consensus. These techniques allow a team to set priorities, organize their thoughts and clearly define activities necessary to solve problems.

PIK also introduces TQC teams to Statistical Process Control (SPC) procedures to keep processes consistent and predictable. These procedures help track variation in a process, so the teams can identify ways to maintain consistency and quality levels.

failed assemblies, but it was up to the team to discover the causes of the problem and find the solution.

Using data they collected, the Test area team uncovered the specific process causing the failures. Once these causes were eliminated, yields rose significantly.

The Surface Mount Machine Technology area TQC team concentrated on the problem of missing parts. Using the same methods as the Test area team, this TQC group reduced the number of missing parts substantially.

In the Manual Assembly area,

areas, and offers the potential to help teams in non-manufacturing areas improve their processes as well. "There are processes going on everywhere throughout the company that can be improved to save money, time and waste," says Ratliff.

"Quality improvement techniques such as PIK offer team members new ways to approach problem resolution," adds Harmann. "By mastering these new tools, team members can make tremendous contributions to the company's processes and productivity."



Debbie Woodside, top left, leads a team discussion on Statistical Process Control. Participants include clockwise from top) Claudia Winick, James Roach, Chris Nguyen and Eugene McGraw.

sophisticated about quality programs, they found they needed to focus more on prevention to deal with process problems instead of simply reacting to problems they discovered."

In response to these requests, PIK, or Process Improvement Kit was developed by Corporate Quality Deployment. PIK combines successful elements of other companies' quality programs with the strengths of Compaq TQC methods. The program offers specific procedures to help team members identify problems, collect data, test and analyze possible causes and implement solutions.

In general, according to Ratliff, PIK focuses on the seven steps of process improvement — understanding customer requirements, selecting a critical process problem, analyzing causes, implementing improvement plans, measuring success, implementing a prevention plan and evaluating team effectiveness.

Among the practical methods used by

The PIK program also emphasizes the use of histograms, cause and effect diagrams, Pareto diagrams and other charts and graphs. These devices enable team members to test their theories, analyze data and come up with the best solution.

PIK in action

PIK has recently helped the teams on Line 41 in CCM4, among others, significantly improve their test yields. Stacy Harmann, Corporate Quality process consultant, and other CCM4 trainers worked with teams from three areas on the line — helping them use PIK to identify problem areas and collect data to back up their observations. The teams and their supporting engineers then worked together on the problems.

In the Test area, the TQC team noticed the percentage of failures involving the solder process was high. Genrad, the main method of testing printed circuit assemblies, identified the

where component parts are inserted by hand, the team identified a problem with raised components and components falling off the board prior to the soldering process.

The team speculated that the problem could be caused by components being raised after coming in contact with operators' electrostatic discharge wristbands that reduce static electricity. To verify this theory, the team is using ankle straps instead of wristbands.

According to supervisor Claudia Winick, the results of the PIK training can't be measured just in terms of improvements on the floor.

"The teams really wanted to increase their quality and productivity, but before PIK, they didn't have all the techniques necessary, so there was some frustration," she explains. "PIK tools help them improve their work processes."

PIK has been successfully introduced in many Compaq Houston manufacturing

Thanks to entrants

Thanks to everyone who sent in their response cards from the September Inside & Out. The seven winners of the drawing of response cards are: Mike Coombs, Schaumburg, Ill.; Jackie Lynch, CCM1; Roxana Hayes, CCA2; Joseph H. Jensen, CCA9; Jamal Naffa, CCM1; Kenneth Platt, CCM3; and Laurie Roddy, CCA7.

These lucky winners won a Compaq baseball cap. Congratulations and thanks for entering!

Don't forget to send in your card from this month's issue!


Additional pricing cuts add to competitiveness

Once again, Compaq has lowered prices on select products in order to strengthen its leadership in the 386 desktop market. This is the second price reduction in two months — positioning the company more competitively for the end-of-year selling season.

The COMPAQ DESKPRO 386/25e Model 120, Model 60 and Model 1 were reduced \$200 each. The COMPAQ DESKPRO 386/20e Model 110, Model 40 and Model 1 were reduced \$800 each.

“We have taken the aggressive pricing action on these PCs to maintain and expand the company’s leadership position in the 386 desktop market, and to make these products available to a broader segment of the marketplace,” said Mike Swavely, President, North America, Compaq.

A LITTLE HONEY?



This tree is located behind CCA10 on the Houston main campus. Landscape architects say it won't be cut down because it is completely filled with bees.

Noted with regret

Randall C. Smith died Aug. 16, 1990. He had been employed with Compaq as a Facilities Drafter at Sommermeyer since June 27, 1988.

Paul Turner died Aug. 17, 1990. Employed with Compaq since Nov. 16, 1988, he was a Manufacturing Engineer at CCM3.

Reynaldo Reid died Aug. 19, 1990. He was a Line Operator in CCM3 and was employed with Compaq since May 1988.

Microsoft, Novell, SCO sign Compaq integration agreements

Significant agreements between Compaq and three major software companies promise new levels of support for PC users.

Microsoft, Novell and The Santa Cruz Operation (SCO) have long been involved in joint projects with Compaq. But the new alliances, announced Oct. 15, formalize these efforts to provide

certified configurations of the four companies’ products and coordinate technical support and training for authorized resellers.

These signed agreements call for defining certified platform configurations, testing and performance tuning of platforms, supporting components in the defined platforms, joint development of future products and joint marketing.

Vice President, Systems Software, Microsoft.

“This agreement is the natural evolution of our close working relationship with Compaq over the past four years,” said Jim Bills, Senior Vice President, Sales, Novell. “It . . . strengthens our commitment to give users reliable network computing solutions.”

Doug Michels, Executive Vice-President and co-founder of SCO, said the agreement would assure users “of getting the support they need to enjoy the full power and value of today’s open system solutions.”

“With the increasing pace of transition from minicomputers and mainframes to PC-based networks, users need high levels of support for multivendor solutions,” said Mike Swavely, President, North America, Compaq.

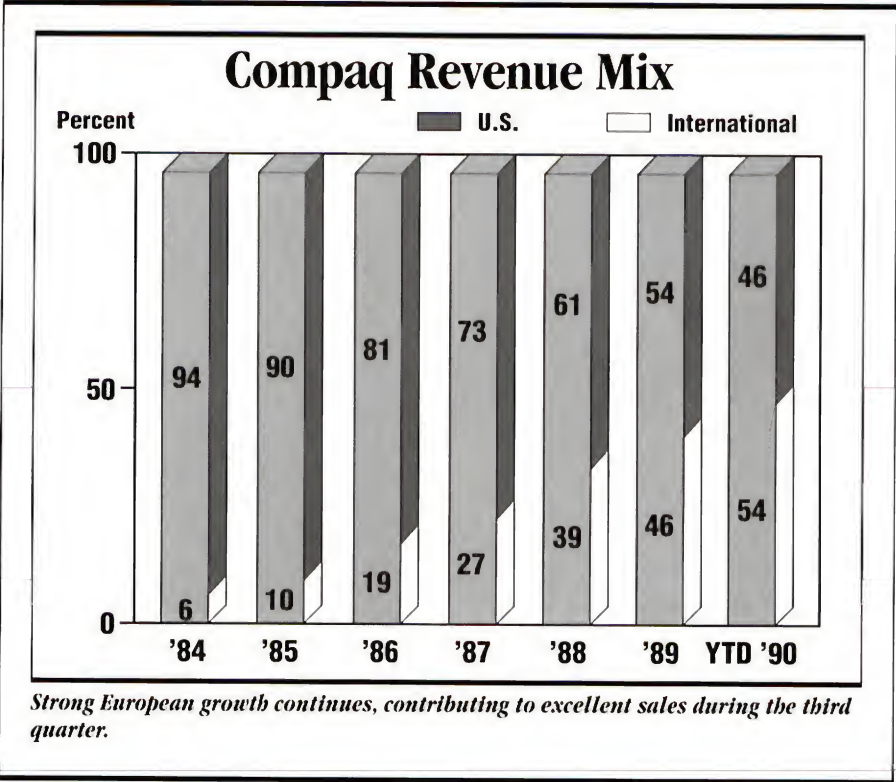
Calling the agreements “more formal extensions of our ongoing strategic relationships with these key systems software providers,” Swavely added, “The alliances reinforce a Compaq commitment to users to provide thoroughly tested, certified configurations for high-performance multivendor solutions.”

A similar agreement is anticipated between Banyan Systems and Compaq.

“This agreement is the natural evolution of our close working relationship with Compaq over the past four years.”

Cross-training the four companies’ engineers is an immediate result of the agreements. New products will be developed with Compaq as technical information is shared and early versions of products are tested. Results of these joint efforts will be shared with dealers and users.

“This comprehensive program ensures customers a highly reliable set of connectivity solutions based on Microsoft and Compaq systems products that are performance-tuned and well supported,” said Steve Ballmer, Senior



Technical Directors meet in Houston

As Compaq becomes an increasingly global company, coordinating technical plans is more complex. To address this complexity, the International Technical Directors Council (ITDC) was created three years ago to help coordinate the company's technical activities worldwide and establish uniform plans for the subsidiaries.

When members of the Compaq International Technical Directors Council met in Houston recently to discuss such issues, they also had the opportunity to meet the new ITDC chairman, Peter-Mark Droste.

Droste, newly appointed Vice President, Technical Support, Europe and International, has assumed the chairmanship of the ITDC from France Technical Director Robert Lyathaud, who had chaired the group since it was formed.

The 25 members of ITDC include technical directors of Compaq subsidiaries, Scotland Manufacturing and Service and Houston International Support people. As participants in the ITDC and its six subcommittees, members can provide international technical input for product ideas and strategies. They meet twice each year —

once each fall in Houston to discuss corporate strategy and goals with the different corporate organizations, and once each spring in Europe to communicate the status of ongoing programs.

As the newly appointed chairman of the group, Droste plans to make no immediate changes. "We will continue to get together to share thoughts on technical, service and training issues," he explained. "As Compaq grows even more strongly into an international company, it's beneficial to have this council working together within the organization."

However, he admits, as the global economy changes over the next few years, he expects the ITDC to remain flexible enough to encompass these changes and expand its focus.

Droste joins Compaq from Nixdorf Computer in Germany, where he was General Manager of the PC division. His role at Compaq will involve enhancing the link between the company's subsidiaries and major accounts in the Europe and International organization and the Houston Systems Engineering and Technical Development divisions.

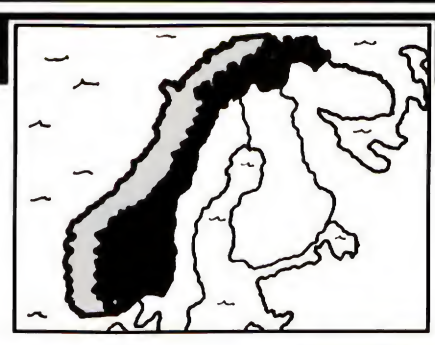


Members of the International Technical Directors Council, meeting in Houston recently, include from left to right: Peter-Mark Droste, chairman, Munich HQ; Geraldine Lim, ITDC guest, Service, Scotland; Joe Blog, International Engineering, Houston; Nic Cantuniar, Switzerland; George Devlin, Service, Scotland; Pat Quinn, Engineering, Scotland; Lino D'Antonio, Italy; Robert Lyathaud, France; Fred Sluyter, The Netherlands; Ian Harvey, Australia; Robin Paterson, New Zealand; Teemu Tunkelo, Finland; George Henderson, Service Support, Houston; Nicolas De Waele, Belgium; Harald Jochnick, Sweden; Rolf Seeger, Central Europe; Emilio Herrero, Spain; Joe Shine, UK; Larry Weisbrook, International Engineering, Houston; Heinz Schepers, General Business Group; and Herbert Hoffman, Austria. Members not pictured are: Lars Bo Iversen, Denmark; Stein Are Johansen, Norway; Paul Dixon, Singapore; Nigel Church, Systems Engineering, Houston; and Coleman Sisson, Training, Houston.



An ACE Halloween celebration was held last month for all Compaq families on the main campus. The night of goblins and ghosts included games, a costume contest, a haunted house and snacks. Above, employees and their families dressed in various costumes, from scary to cute. At left, Compaq kids Weston Stover, left, 19 months, and Bryan Clegborn, 16 months, enjoyed the festivities.

i n t e r n a t i o n a l F O C U S



Compaq Computer Norway meets market challenges

It's a special kind of country. Long, narrow, far to the north, with rugged mountain formations, deep forests and narrow fjords (sea inlets between steep slopes), Norway demands a great deal from the people who live there. However, it also rewards its people with majestic and unspoiled beauty.

Don't talk to Norwegians about finding creative solutions to challenges — they practically invented the concept. Mountain ranges split the country, which is some 25,000 kilometers (17,250 miles) long, lengthwise. A multitude of fjords cut into the country crosswise, making transportation through Norway highly challenging. Crossing the Norwegian mountains by car in the winter can be hazardous. In the summer, road conditions are reasonably good — if you don't have an aversion to sheer precipices and narrow tunnels. As a result, a network of sea transport and air services has developed to help link the country — and made Norway the world's fifth largest shipping nation.

A solid network

Visitors to Norway seldom fail to recognize that Norway is expensive. In fact, Norway is second only to Japan as the world's most expensive country.



Staff members proudly show off their new Compaq bus — an unconventional method of marketing PCs in Norway.

high technology solutions had already been sold on the Norwegian market for five years through four of the country's prime dealers, supported by Compaq European headquarters in Munich. Growing demand indicated that a much wider network of dealers was needed. To accommodate this demand,

mainstay. Fueled by this resource, the country's economy experienced enormous growth over the past decade, placing Norway in the forefront of technological investment, with more PCs installed among white collar workers than any other country.

Naturally, the energy sector is one of Compaq Computer Norway's most important areas of activity. This industry demands the ultimate in high technology solutions, well-suited to the COMPAQ product profile.

Another substantial market for Compaq Norway is the health sector. It has lagged other industries in its embrace of computers and computerized systems. But administrators are taking steps to update information technology in hospitals and institutions throughout the country.

The insurance business, which requires powerful, high-quality computers, is another segment in which COMPAQ products have penetrated the market.

All three markets were extremely well represented at Compaq Norway's

comprehensive customer event last Dec. 7 at Aker Brygge, the new section of the city located on the Oslo waterfront. The successful event marked the introduction of the COMPAQ SYSTEMPRO, and paid off in the form of new business for Compaq Norway.

Sport and leisure

Compaq Computer Norway AS has its offices just outside the center of Oslo. The subsidiary has 20 employees who, in addition to working hard to increase Compaq sales in Norway, participate in the subsidiary's varied social activities. Kick-offs mark the semi-annual highlights, where business and social activities combine.

The subsidiary's Wine Club enjoys getting together once a month to taste new, exotic wines or to relish the bouquet of vintage bottles.

The Squash Club is by no means as relaxed. An indication of the will to participate and compete may be found in the company's squash championships — in which every employee takes part.

The subsidiary has also achieved some recognition in the sports world through its sponsorship agreement with Jorunn Horgen, three-time women's windsurfing world champion. The sponsorship agreement, which Compaq Norway developed in conjunction with two of its Authorized Dealers, has produced good media attention for the company. Horgen has also acted as windsurfing trainer for Compaq Norway employees and has spoken at seminars arranged by the company. The sponsorship, which includes the loan of a COMPAQ SLT/286, allows Horgen to participate in competitions around the world while continuing her training to become a computer engineer.

In addition to windsurfing, diving and bowling are popular sports at Compaq Norway, with internal competitions and weekend excursions contributing to the warm atmosphere and spirit of this northern subsidiary.

COUNTRY PROFILE	
Country:	Norway
Language:	Norwegian
Population:	4 million
Head of State:	King Olav V
Prime Minister:	Jan P. Syse

SUBSIDIARY PROFILE	
Name:	Compaq Computer Norway AS
Head:	Brynsengvn. 2, P.O. Box 6187 Etterstad N-0602 Oslo 6, Norway
Established:	1989
Number of Employees:	20
Number of Dealers:	27

Buying a car in Norway costs four times as much as it would in Germany.

Norwegians demand quality. But they know quality costs, and they're willing to pay the price. As long as first-class, quality personal computer products are available, for example, Norwegians are unwilling to accept anything less.

Clearly, the establishment of Compaq Computer Norway AS in Norway in April, 1989, represented a welcome addition to the Norwegian computer industry.

The subsidiary was launched with a "Compaq Grand Gala," at the former City Hall of Oslo, the country's capital city. At the time of the announcement, Compaq

Compaq Computer Norway AS built up a network of 27 dealers — with a total of 39 sales outlets — in its first 18 months.

According to Dataquest, only about 29 percent of PCs sold in Norway in 1989 were sold through dealers. Yet, despite this unusual distribution structure, all dealers reported a substantial increase in their PC sales after having been appointed Authorized COMPAQ Computer Dealers.

Compaq Computer Norway

Norway is an oil-producing nation of some importance. Today, oil and gas deposits represent the nation's economic



Compaq Computer Norway's sponsorship agreement with Jorunn Horgen, three-time women's world windsurfing champion, has generated favorable media attention for the company.

Compaq team triumphs!

Group places first in Houston competition

The Compaq Corporate Games team captured first place in the recent 1990 Houston Challenge Corporate Games, in which teams from area corporations compete in 24 athletic events over two days.

The Compaq group has participated in the event for the past four years. Last year, Compaq placed third in the Houston competition. The athletes placed third in the National Challenge last year.

Among the teams participating this year in the local event was a group from Texaco, which won first place in both the local and national competitions last year.

The Compaq team brought home 15

and Richard Hykel won an award for "Best Volleyball Player."

The volleyball team, which captured the gold, gave up only 10 points during the entire tournament. The crew of the "Outrigger Mania" event, a race where four people paddle a canoe with their hands, and the participants in the obstacle course set new national records.

Each corporate team had to appoint one executive officer from its roster to participate in the "CEO Accuracy" event — a combination of soccer, Frisbee and football competition. The Compaq officer, Richard Weber, Manager, Financial Accounting II, not only won the event in a sudden-death soccer kick



Kevin Eyres gives everything he's got in the 60-yard dash.



Gina Case and Robin Tran paddle toward the finish line in the "Can You Canoe" competition.

gold medals, three silver medals and four bronze. They also received an award for "Best Team in Opening Ceremonies Parade." Team member Ted Fritsche was honored as "Best All-Around Athlete"

shootout, but also tied the national record.

The tug-of-war team, shattering a three-year losing streak, pulled their way to a gold medal — also shattering the



Richard Weber concentrates on his way to a gold medal in the "CEO Accuracy" event that tested his Frisbee, football and soccer skills.

team's image as a group of "computer jocks."

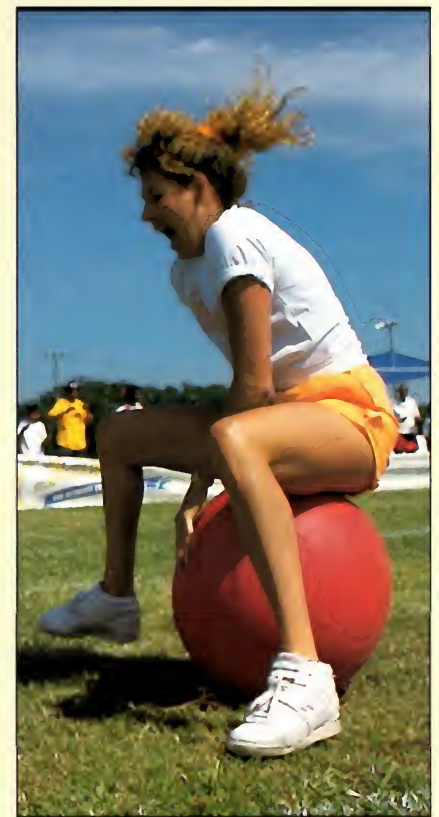
Male members of the Compaq Challenge Games include: Mark Bolam, Stuart Erickson, Kevin Eyres, Ted Fritsche, Richard Hykel, Jeff Linn, Dan Stevenson, Mike Swoboda, Robin Tran

and Richard Weber.

Female members include: Robin Adams, Patricia Bradley, Elizabeth Brindley, Lee Anne Brown, Mary Lee Brown, Gina Case, Liza Garza, Carla Havel and Chris Salitros. Alternates are Bob McManus and Stephanie Johnson.



Going for the gold — the Compaq tug-of-war team in action (front to back) Stuart Erickson, Mike Swoboda, Mark Bolam, Robin Adams, Liza Garza, Lee Anne Brown, Carla Havel, Kevin Eyres and Richard Hykel.



Robin Adams relives her childhood during the bippety hop race.

COMPAQ

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